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## Agenda Item 5

November 15, 2011

### TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. **SUBJECT:** Priority Care Project Update
- II. **PROGRAM:** Benefit Programs Policy and Planning
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

The Priority Care Project is a collaborative effort among CalPERS, Anthem Blue Cross (Anthem), Humboldt–Del Norte Independent Practice Association (IPA), and the Pacific Business Group on Health (PBGH) whose goals include increasing health care quality and reducing health care costs. The purpose of this agenda item is to report on the status of the project.

#### **Background**

At the April 2009 and November 2009 Health Benefits Committee (HBC) meetings, CalPERS staff shared the idea of exploring the feasibility a Medical Home pilot within the CalPERS health benefits program. By the May 2010 HBC meeting, CalPERS staff had begun planning the Medical Home pilot program, which had come to be known as the Ambulatory Intensive Care Unit (AICU) Pilot Project. This model involved specialized Primary Care Physician (PCP)-led teams that would apply comprehensive, coordinated health care delivery and management to improve quality of life and outcomes for chronically ill patients.

In partnership with Anthem and PBGH, CalPERS agreed that the project should be conducted in Humboldt County among CalPERS members receiving services from the Humboldt–Del Norte IPA. In April 2011, the project was renamed “Priority Care” based on consumer focus-group testing.

#### **Goals**

The Priority Care pilot is designed to improve the care of the most medically complicated patients through dedicated nurse case managers. The Priority Care program is voluntary for our members and provides incentives to physicians to support primary and specialty care management across the continuum of care. The goals of the project are:

- Improve member safety, quality of life, and health outcomes by improving coordination of care and high intensity case management of the most medically complex CalPERS members in Humboldt County.

- Align incentives for quality and cost improvement for plans and providers.
- Improve the quality and cost of care for patients with chronic and complex conditions as a step toward comprehensive primary care design.
- Develop a model that is replicable and financially sustainable.
- Encourage innovation and investments in systems and processes to manage total cost as well as improve clinical effectiveness and member experience.

### **Project Planning and Implementation**

Data on Humboldt County CalPERS members were analyzed to determine which members could likely most benefit from improved care coordination.

Implementation of such a program includes the following activities:

- Development of data exchange agreements among the stakeholders.
- Attributing PCPs to members using data from both Anthem and Thomson Reuters, the vendor who manages the CalPERS Health Care Decision Support System.
- Exchanging claims data between Anthem and the Humboldt–Del Norte IPA to identify 550 eligible high-risk members to target for recruitment.
- Development of a financial model and mechanism to fund two dedicated Registered Nurse (RN) case managers to supervise the care of the targeted pilot members via telephone and in person, as necessary. The nurse case managers facilitate access to PCP and specialty referrals, help patients set personal goals and engage in self-care, and coordinate follow-up care to reduce readmissions and avoidable Emergency Department use. The nurse case managers will also, as necessary, collaborate with the Anthem clinical team to provide member support.
- Establishing secured, patient protected, system connectivity between Anthem and the Humboldt IPA nurse care manager to provide real time patient-based personal health information.
- Development of a shared savings model with 50 percent of the savings going to CalPERS, 45 percent to the IPA and a 5 percent administrative recovery fee to Anthem.

Agreements were reached on fiscal and administrative issues, including the inclusion of PG&E members in Humboldt in order for the program to be cost effective. Priority Care started enrolling members in late June 2011 with enrollment gaining momentum in July.

### **Project Update**

The work to expand enrollment of additional physician offices continues in Humboldt County. Early responses show significant improvement in care management and patient experience for the enrolled members. The attached testimonial (Attachment 1) is an example of the powerful impact this program can achieve.

PBGH has learned through feedback from the IPA that the enrollment process requires greater resource involvement than initially planned. Specifically, the medical group is spending more effort on primary care physician recruitment and engagement. However, enrollment continues and these are the latest figures:

- After another data review, an additional 280 new potential members have been identified for recruitment to participate in Priority Care over and above the 550 initially targeted for recruitment (i.e., a total of 830 members are now targeted).
- 125 members have enrolled to date, of which 75 members had no medical home to coordinate their care.
- 50 members have declined to participate.

### **Next Steps**

The Priority Care pilot project will be conducted for 2 years, after which PBGH will conduct an evaluation study. The study will include an evaluation of quality, satisfaction and cost-effectiveness based on:

- Healthcare Effectiveness Data and Information Set (HEDIS) process and outcome measures
- Members' health status
- Patient experience
- Utilization (e.g. hospital admissions, emergency room visits)
- Financial measures

CalPERS staff will continue to work with PBGH to assist in the coordination of the planned evaluation of the pilot. CalPERS staff will keep the HBC apprised of the progress and periodically report outcomes.

## **V. STRATEGIC GOALS:**

This agenda item supports CalPERS Strategic Goal 12: "Engage and influence the healthcare marketplace to provide medical care that optimizes quality, access, and cost."

## **VI. RESULTS/COSTS:**

This is an information item only.

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